



**City Council Meeting
City Council Chambers
145 West Broad Street
Spartanburg, SC
Tuesday, May 27, 2014
5:30 p.m.**

**(These minutes are subject to approval at the
June 9, 2014 City Council Meeting.)**

City Council met this date with the following members present: Mayor Junie White, Mayor pro tem Jan Scalisi, Councilmembers Cate Ryba, Erica Brown, Robert Reeder, Jerome Rice, and W. Sterling Anderson were in attendance. City Manager Ed Memmott and City Attorney Cathy McCabe were also in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are recorded for a complete transcript.

- I. Moment of Silence – Mayor White offered condolences to the family of City of Spartanburg employee, Bruce Farr, Storm Water Supervisor, who passed on Monday, May 26. A moment of silence was observed.**
- II. Pledge of Allegiance – recited.**
- III. Approval of the Minutes of the May 12, 2014 City Council Meeting –**
Councilmember Rice made a motion to approve the minutes as received.
Councilmember Ryba seconded the motion, which carried unanimously 7 to 0.
- IV. Approval of Agenda of the May 27, 2014 City Council Meeting –**
Mayor pro tem Scalisi made a motion to approve the agenda as received.
Councilmember Reeder seconded the motion, which carried unanimously 7 to 0.
- V. Public Comment - None**
*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
- VI. Special Presentation – Proclamation Declaring May 2014 as Foster Care Month**
Presenter: Mayor Junie White
Mayor White presented the proclamation to members of the Foster Family Resource Group.
- VII. Public Hearing**
 - A. Ordinance to Provide for the Adoption of a City Operating Budget, Its Execution and Effect, for the Fiscal Period July 1, 2014 Through June 30, 2015 (First Reading)**
Presenter: James Kennedy, Budget and Accounting Director
Mr. Story and Mr. Kennedy presented the item to City Council as follows:

“In accordance with Section 2-119 of the Code of the City of Spartanburg 1988 the City is required to adopt an annual budget. The City Council held a budget workshop on May 12, 2014. During that time, discussions were held concerning General Fund revenues, proposed personnel cost changes, and other inflationary expenditure increases. The recommended FY 2014 – 2015 budget is reflective of management’s efforts to meet long term funding obligations.

The FY 2014 – 2015 budget includes the following:

- 2 mil property tax increase
- \$6 increase in the residential trash fee from \$102 to \$108
- Additional \$25 flat fee for late business license renewals (new)
- 3% projected increase in General Fund revenues
- 1.5% employee cost-of-living pay increase
- Approx. \$100,000 for mandatory increases in retirement
- 5% increase in medical insurance cost
- \$220,000 for building facilities maintenance
- \$100,000 for T.K. Gregg facility sinking fund
- \$379,512 for quality of life projects

ACTION REQUESTED: Adoption of an Ordinance to approve the operating budget for fiscal year July 1, 2014 – June 30, 2014.

BUDGET AND FINANCE DATA: See proposed budget document.”

Mayor White opened the public hearing asking if there was anyone to speak in favor of or in opposition to the proposed budget.

Ms. Alice Hatcher Henderson came forward to speak in favor of the proposed budget and expressed thanks that the city employees would be receiving a raise.

Councilmember Reeder made a motion to close the public hearing. *Councilmember Rice seconded the motion, which carried unanimously 7 to 0.*

Mayor pro tem Scalisi asked several questions, one regarding the hospitality tax disbursement. *Councilmember Ryba recused herself from the discussion as she serves as Executive Director of Hub-Bub, which receives Hospitality Tax funding from the City. Councilmember Ryba left Council chambers during the discussion. Mayor pro tem Scalisi objected to the ½ disbursement of the hospitality tax and proposed funding the entire amount for the year. Mayor pro tem Scalisi made the following motion, “I would like to make a motion that we go ahead and fund the full year for these folks in this fund and that we continue with our plan to have a committee look at criteria and funding over the next year so that we can change the process little bit for next year’s budget.” Councilmember Brown seconded the motion, which carried 6 to 0.*

Councilmember Ryba re-entered the Chambers.

Councilmember Rice made a motion to approve the budget, excepting the Hospitality Tax funding change proposal, on first reading. Councilmember Reeder seconded the motion, which carried unanimously 7 to 0.

VIII. Ordinance

- A. To Raise Revenues for the City of Spartanburg for the Fiscal Year 2014 – 2015 to Levy Taxes on All Real Estate and Personal Property, Except Such as is Exempted by Law, in the Corporate Limits of the City of Spartanburg for Corporate Purposes for the Fiscal Year 2014 – 2015 and to Provide Penalties for the Delinquent Payment of Taxes Levied and Provided for (First Reading)**

Presenter: James Kennedy, Budget and Accounting Director

Mr. Kennedy presented the item to City Council as follows:

“The purpose of this Ordinance is to establish the property tax millage rate for the City of Spartanburg for FY 2014 – 2015. The current year’s millage is 103.0. This proposed millage ordinance includes a 2.0 mil increase for FY 2014 – 2015 from 103.0 to 105.0. The total property tax revenue estimate (current & delinquent) for next year is budgeted at \$14,116,367.

ACTION REQUESTED: Adoption of an Ordinance to approve the millage for fiscal year July 1, 2014 – June 30, 2015.”

Councilmember Ryba made a motion to approve the ordinance as presented on first reading. Mayor pro tem Scalisi seconded the motion, which carried unanimously 7 to 0.

IX. Resolution

A. Authorizing the City Manager to Enter into a Memorandum of Understanding with the Hub City Co-op

Presenter: Chris Story, Assistant City Manager

Mr. Story presented the item to City Council as follows:

“At the May 12th Council work session, we illustrated and discussed a scenario for city financial participation in making the proposed Hub City Cooperative Grocery a reality. The attached proposed resolution would authorize the City Manager to execute a Memorandum of Understanding (initial draft also attached) with the Co-op that would allow us to implement that plan.

The proposal involves two elements:

- A subordinate loan to the Co-op from the City of Spartanburg Development Corporation of up to \$200,000 at 0% interest, payable over five years beginning in the Co-op third year of store operations.
- An operating subsidy grant totaling \$150,000 paid out monthly over the first 48 months of store operations.

As we have indicated in previous meetings, we believe that the Co-op will generate a significant number of new regular visitors to downtown from throughout much of Spartanburg County thereby strengthening the downtown economy. Also, by providing convenient grocery shopping within walking distance, it will make living and working downtown more desirable. We recommend your approval.

We look forward to any questions you may have.”

After discussion, Councilmember Ryba made a motion to approve the resolution as presented. Councilmember Brown seconded the motion. The vote was 5 to 2 with Councilmembers Reeder and Rice voting against the resolution. Motion carried.

X. Consent Agenda

- A. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, by Amending Section 206, Changes to District Boundaries, specifically Parcel #7-12-13-145.00, located at 579 West Main Street, which is Currently Zoned B-3, with a Land Use Designation of General Business District to Zone LOD, with a Land Use Designation of Limited Office District, from Frances Williams, Owner. The purpose for the request is to permit the owner to continue to use the property as a two-family rental unit, or possible future office use. (Second Reading)**

Presenter: Joshua Henderson, Planning Coordinator

- B. Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, by Amending Section 206, Changes to District Boundaries, Specifically Parcel #7-17-15-026.00, Located at 201 Cedar Springs Road, which is Currently Zoned R-15, with a Land Use Designation of Single Family Residential District to Zone LOD, with a Land Use Designation of Limited Office District, from Kim Kauffman, Freeland and Kauffman, Inc. on behalf of Bright-Myers 2001, LLC, on behalf of William S. Myers, Owner. The purpose for the request is to permit the owner to be able to market the property for future commercial redevelopment. (Second Reading)**

Presenter: Joshua Henderson, Planning Coordinator

Councilmember Reeder made a motion to approve the consent agenda on second reading. Mayor pro tem Scalisi seconded the motion, which carried unanimously 7 to 0.

XI. Other Business

- A. FY 2013-2014 Fraud Risk Assessment Report**

Presenter: James Kennedy, Budget & Accounting Director

Mr. Kennedy presented the item to City Council as follows:

“At the upcoming Council meeting, we will present the results of our annual fraud risk self-assessment. As you know, this practice is not made necessary by any particular problem or shortcoming of the City; it is simply one of our many routine efforts to ensure we are taking all reasonable steps to improve our management of City resources. The American Institute of Certified Public Accountants (AICPA) Statements on Auditing Standards (SAS) No. 99 and No. 112 require entities to conduct an annual fraud risk assessment and communicate the results with the governing body. Please be aware that these auditing standards require that the potential area of risk must be at a high level of the possibility in order for our financial statements to be materially misstated.

In preparation of the City’s upcoming FY 2013 - 2014 audit, departments were asked to conduct an assessment of their department for potential risk areas. An assessment request was sent to all departments, including over fifty-six staff members. The goal is to identify fraud risks that have a more than remote likelihood of occurring, and a more than inconsequential impact on the City’s finances. These risks could be in loss of assets, lack of proper controls, or weaknesses. Generally Accepted Accounting Principles (GAAP) requires the City to maintain a system of internal controls to reduce the risk of fraud (misappropriation of assets). This assessment focuses on areas where there are potential risks and no existing mitigating internal controls.

Our purpose is to understand where fraud is most likely to occur so that the risk of fraud can be effectively controlled. A fraud risk assessment and internal controls do not guarantee that will not occur.

The attached report requires no Council action and it presented for information only. However, we will welcome any questions you may have.”

City Council received the report as information.

XII. City Council Updates –

Councilmember Rice reminded everyone that it was graduation season and that the

number of graduates was “up” at Spartanburg High School. He mentioned that two Saturdays ago, he attended the Fair Housing Workshop and that it went well. He also commented on the experimental burns recently conducted by the City Fire Department and commended them on that effort.

Councilmember Anderson commented that he appreciated staff conversations on parks for the Westside. He shared that he enjoyed his Wofford 50th reunion.

Councilmember Brown shared another “shout out” from citizens regarding quick response by Tony McAbee and his team on a storm water drain issue. She reminded everyone that Jazz on the Square would end on Friday.

Councilmember Ryba invited everyone to visit the Hub-Bub Community Garden on Sunday from 11 to 5.

Mayor pro tem Scalisi shared events from the Main Street Challenge and thanked everyone involved. She shared that the Kudzu Coalition would be working in the Highland Neighborhood. She mentioned that she had the privilege of ringing the bell to open the Farmer’s market at the Train Depot the previous Saturday.

Councilmember Reeder echoed Councilmember Rice’s comments regarding the Fair Housing Event.

XIII. Executive Session to Discuss Evaluation of City Manager, City Attorney, and Municipal Court Judge

Councilmember Ryba made a motion to adjourn to Executive Session for the reasons stated. Mayor pro tem Scalisi seconded the motion, which carried unanimously 7 to 0. Council adjourned to Executive Session at 6:25 p.m.

Council reconvened to the regular meeting at 7:00 p.m. Mayor White stated that discussion was held with no decisions made.

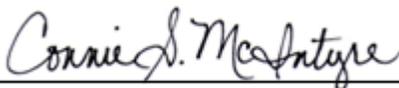
Councilmember Anderson made a motion that City Manager Ed Memmott be given a 3% salary increase, which equated to \$3,900 per year. Councilmember Reeder seconded the motion, which carried unanimously 7 to 0.

Councilmember Reeder made a motion that Municipal Judge Erica McJimpsey be given a 5% salary increase, which equated to \$4,484 per year. Councilmember Rice seconded the motion, which carried unanimously 7 to 0.

Councilmember Anderson made a motion that City Attorney Cathy McCabe be given a 2% salary increase, which equated to \$1,700 per year. Councilmember Rice seconded the motion, which carried unanimously 7 to 0.

XIV. Adjournment –

Councilmember Reeder made a motion to adjourn the meeting. Councilmember Brown seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 7:07 p.m.



Connie S. McIntyre, City Clerk

